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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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March 20, 1984

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MEMORANDUM FOR MR. CHARLES HILL
Executive Secretary
Department of State

COL JOHN H. STANFORD
Executive Secretary
Department of Defense

BGEN GEORGE A. JOULWAN
Executive Assistant to the Chairman
Joint Chiefs of Staff

[Redacted]
Executive Secretary
Central Intelligence Agency

MR. WILLIAM VITALE
Executive Secretary
Department of Energy

SUBJECT: Crisis Pre-Planning Group (CPPG) Meeting:
Iran-Iraq War (S)

The CPPG will convene at 11:00 a.m., Wednesday, March 21, 1984, in Room 208, OEOP to discuss the papers recently completed pursuant to the last meeting on this subject. An agenda for the meeting is at Tab A and the State/DOD discussion paper is at Tab B. (S)

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

Attachments

- Tab A - Agenda
- Tab B - State/DOD Paper

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THE WHITE HOUSE

WASHINGTON

CRISIS PRE-PLANNING GROUP (CPPG) MEETING
IRAN-IRAQ WARWednesday, March 21, 1984
11:00 a.m. - 12:00 noon
White House Situation Room

AGENDA

- I. INTRODUCTION John Poindexter
- II. INTELLIGENCE UPDATE CIA
- III. DESCRIPTION OF ESCALATION SCENARIOS CIA
- IV. DIPLOMATIC STRATEGY AND
RESPONSES TO ESCALATION State
 - A. Consultations with UK (Luce Team)
- V. MILITARY RESPONSES OSD/OJCS
 - A. Warning Indicators of Escalation
 - B. Adequacy of Current Deterrent Posture
 - C. Military Responses to Selected Escalation
 - 1. Terrorist/sapper actions against Gulf Arab states
 - 2. Harassment of U.S./Allied shipping
 - 3. Iranian attacks against Kuwait
 - 4. Iranian air and naval attacks on shipping in the Gulf
 - 5. Iranian efforts to mine Strait of Hormuz
 - 6. Collapse of Iraqi line
 - D. Force Closure Improvements
 - 1. TACAIR
 - 2. MCM
 - 3. Counter-Terrorist forces
- V. SUMMARY John Poindexter

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Iran-Iraq War: US Responses to Escalation Scenarios
and Threats to Persian Gulf States

I. Introduction

Based on the March 12 Intelligence Assessment (Tab A) on likely Iranian escalation scenarios, this paper, prepared by State and Defense, divides those scenarios into three general categories: (1) escalatory acts which are more likely to occur but less threatening to Western interests, (2) escalatory acts which are less likely to occur but are more threatening to Western interests; and (3) a major military victory by Iran with the imminent or actual collapse of the Baghdad government. Under the first two categories, we define the various escalatory acts. We then identify measures to deter or counter that level of escalation (or the specific acts if appropriate). The deterrence and counter-measures include diplomatic and military actions by ourselves, our Allies, and friendly regional states.* Regarding the possibility of an Iraqi military defeat, we examine five general options for US policy for CPPG discussion but make no recommendation.

While we have defined different categories and acts for the purpose of analysis, they could occur simultaneously or in rapid succession. In particular terrorism, which is treated in the "likely to occur but less threatening" category, has already occurred and could occur again at any time. Thus, to the extent possible, measures must be identified that are applicable to as many scenarios as possible.

This paper is written in the context of the recent UK decision, taken in response to a US request, to deploy minesweepers to Cyprus to cut deployment time to the Gulf to 17 days and to deploy six destroyer/frigates to the Gulf region for several weeks. The French have not yet responded to our request for similar deployments.

Finally, the energy implications of possible Iranian actions are discussed at Tab C.

*War Powers Resolution. Any option which involved a deployment of US armed forces in a foreign country would require a War Powers Report. In addition, any introduction of US armed forces into "hostilities" or a situation where "imminent involvement in hostilities is clearly indicated by the circumstances" (this would include, e.g., the use of AWACs to call in an airstrike on an intruding aircraft) would require prior consultations with Congress and a report, and would trigger a 60-day limit on deployment.

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II. Lower Risk, Higher Probability Iranian Escalation Options

DOD notes that with respect to the low risk, high probability scenarios listed below, there is no assurance that the Gulf states would request our intervention. Furthermore, even if U.S. intervention were requested, it might not be in our interests to intervene. Moreover, no final Presidential decision has been made to do so.

A. Overflight of offshore Arab Gulf oil facilities and terminals or shipping bound for them by Iranian combat aircraft.

The purpose of such overflights would be to intimidate the Gulf states and international shipping bound for them by presenting the threat of military attack.

Diplomatic Measures: If Iran initiates such overflights, we anticipate that the Gulf states would protest through diplomatic channels, and perhaps, through a collective approach to Iran by the GCC. We should encourage this. We should also examine action in the International Maritime Organization, working with our allies and friendly shipping states, against such Iranian harassment of neutral shipping. If the effect on shipping was significant, we could initiate a public diplomacy campaign to arouse international opposition.

Military Measures: Such action by Iran would provide a further basis for our offer to Gulf states of combined planning. All agencies believe that for deterrent purposes we should continue actively to seek combined planning and exercises with the Gulf states, and urge a modest increase in Allied (UK and France) naval presence within the Gulf for coordinated patrolling with MIDEASTFOR and with the Gulf states if they are willing.

Given GCC sensitivity thus far on agreeing to combined planning, State and OSD also believe that we should make a separate effort to engage the GCC in setting up a rudimentary integrated surveillance system to monitor surface and air traffic in the Gulf. The combined surveillance system could begin with US, Allied, and GCC in-place assets pooling of air and surface tracking information and making it available to all GCC states and Allied sources in the Gulf. This would require establishing radio or other channels for exchanging information between intelligence centers. Because of the difficulty of quickly establishing secure voice communications with the Gulf states, the initial exchanges might include only unclassified information from the US side.

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It should be understood, however, that such a system would require additional assets to be really effective and that those assets would require access to regional facilities. Moreover, any system will have difficulty monitoring all the air and surface traffic in the Gulf. Regardless of the surveillance system established, we will need to remind the Gulf states that any system will be imperfect to some degree and that the US is not responsible for such inadequacies. In any case, the primary thrust of this initiative would be to draw the Gulf states into a basic integrated surveillance system which could be expanded as they become more comfortable with it and melded into a broader combined planning effort once that was approved.

B. Random detention and search of Gulf shipping carriers bound for Arab Gulf ports for contraband.

Diplomatic Measures: Under the traditional rules of war, Iran has a right to examine cargoes of neutral vessels in international waters to ensure they are not carrying "contraband" to Iraq and to seize any contraband found. ("Contraband" consists of those goods that would enable the enemy to carry on its war effort effectively and has been interpreted broadly to cover much more than obvious war materials). If it appeared that Iran was undertaking such searches for the purpose of harassment or intimidation and was stopping vessels arbitrarily without reasonable cause, we should collaborate with Allies, friendly shipping nations, and the Gulf states to condemn and protest this practice publicly and through diplomatic channels. We should also examine the potential for collective action through the International Maritime Organization, and for countering Iran's actions through public diplomacy.

Military Measures: If Iranian searches are undertaken arbitrarily and frequently and if this deters neutral shipping in the Gulf, we should consult with shipping nations and with Gulf states on protective arrangements as a means of countering this. In the development of a convoy or sector security arrangement, we would need to consider issues such as flag state requests for protection; the availability of certifications by the military convoy or sector security captain, as an alternative to the belligerent right of visit and search explained above; and ways of ensuring that convoyed vessels are not carrying contraband.

Again, all agencies believe that for deterrent purposes we should continue actively to seek combined planning and exercises and urge a modest increase in Allied naval presence in the Gulf for coordinated patrolling with MIDEASTFOR and with the Gulf states, if they are willing. Assuming the Gulf states

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do not agree to the full range of combined planning, State and OSD also recommend separately seeking a rudimentary integrated surveillance system with the Gulf states and participating Allies, using in-place assets initially and building from there.

C. Further Iranian air raids against Kuwait

Diplomatic Measures: We should condemn any such attack publicly and urge other nations to do likewise. Further diplomatic actions would depend on how Kuwait wishes to respond. It may do nothing, as was the case in previous Iranian attacks on Kuwait.

Military Measures: An Iranian attack on Kuwait would offer an opportunity for us to renew our offer to Kuwait and other GCC states for combined planning. We anticipate, however, that Kuwait would continue to decline, because of its exposed position. In the alternative, we might offer to assist Kuwait strengthen its air defenses. If any GCC state requests a U.S. deterrent presence and offers access to facilities in response to an attack on Kuwait, we would respond with deployment of U.S. forces.

Allied Measures: The GOK might be more receptive to British or French assistance in the event of renewed Iranian air attacks. We should consult with the UK and France in the event, and encourage them to offer help. We could also encourage Saudi Arabia to offer to share AWACS data with Kuwait, if Kuwait desires, although timely provision of such data may not be possible.

D. Attacks against Iraq's remaining oil exporting facilities, including the Iraq-Turkey pipeline

Iran has already immobilized Iraq's Gulf oil export facilities. Until Iraq builds the proposed new link to the Saudi pipeline and the proposed pipeline to Aqaba via Jordan, the only further option available to Iran to cut Iraq's oil exports would be to attack the Turkish pipeline. This is unlikely, since the risks to Iran appear to outweigh the gains. Damage from such an attack could probably be repaired quickly enough to prevent major economic harm, unless attacks were sustained in a way that would prevent repairs. Moreover, such attacks would antagonize Turkey, which has an important economic interest in the pipeline. Iran needs good relations with Turkey because of the overland access it offers for Iranian trade. However, if Iran does attack the Turkish pipeline we would pursue the following measures:

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Diplomatic Measures: We should examine ways to encourage Turkey to impose sanctions against Iran, possibly including limits on Iran's trans-Turkey trade. We should recognize that Turkey would react very cautiously to any suggestion that it alter its neutrality in the war, whatever the Iranian provocation.

E. Iranian-Inspired Terrorism

Iran has already engaged in or supported terrorist attack or subversion against Kuwait, Bahrain, and others in the Gulf, and there are reports of preparations for other such acts. These acts could be taken in random fashion (more likely) or as part of a concerted campaign (less likely). Iranian intent is to intimidate Gulf state political leadership, destabilize Gulf state societies, terminate Gulf state support for Iraq, and interrupt the trend toward closer Gulf state relations with the US. To date these efforts have been unsuccessful, in fact counterproductive.

Much of our efforts in counter- and anti-terrorism will be handled in separate channels; nonetheless, we might undertake the following to counter terrorist acts that we can identify as Iranian-inspired.

Diplomatic Measures: The U.S. should take the following actions: continue intelligence exchange; encourage and support protests to Iran; encourage and support condemnation of Iran in the UN; mount a campaign of public diplomacy to condemn Iran; and pursue U.S. anti-terrorist training program for civil police forces. (Anti-terrorist training may be provided for certain defined purposes. It cannot be provided on a funded basis to countries to whom security assistance is generally prohibited. Training may only be provided in the United States.)

US Military Measures: All agencies agree that we should continue to offer anti-terrorist training and encourage the UK to do likewise. It should be noted that DOD does not provide counter-terrorist training for foreign personnel.

State and OSD also believe that the U.S. also could establish a rudimentary integrated surveillance system in conjunction with our Allies and the Gulf states which monitored ship (e.g., dhow) and air (e.g., light planes) traffic in the Gulf. Such a system could conceivably plot dhow traffic coming from Iran (however imperfectly) and provide it to GCC coastal patrols for action. If we could recommend it to the Gulf states as an anti-terrorist capability, we might get them to

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cooperate even before they would be willing to accept our Gulf Port Grand concept. We would expect initially to use only in-place US assets. However, to the extent that the C³I system to support this scheme looked like the Port Grand system, so much the better.

III. Low Probability/High Risk Options

As the Intelligence Assessment (Tab A) points out, Iran is likely to choose options at the lower end of the escalatory scale in response to a limited disruption of its oil exports. Should Iraq succeed, however, in causing a major interruption of Iranian oil exports, Tehran is likely to react more sharply. The more extreme retaliatory measures available to Iran are:

- o attacks against Saudi Arabia or other GCC states, including air, naval or commando attacks against critical oil installations and other important economic targets (e.g., desalinisation plants).

- o interdiction of Gulf oil shipping. This could range from an announcement that the Strait of Hormuz had been mined to direct air and naval attacks and mining operations to prevent ship transit through the Strait of Hormuz.

Iran prefers to avoid military actions which would prompt US military involvement in the Gulf and closer US/GCC military cooperation. Iran's desire to avoid a two-front war, as well as Tehran's likely suspicion that US military intervention would not be limited solely to preserving freedom of navigation, would further constrain Iranian military options. In the case of both scenarios described above, Iran's military actions will likely be designed to demonstrate US inability to protect its interests and defend the Gulf states. This could confront the US with two different threats. On the one hand, Iran might conduct a one-time surprise attack against Gulf targets, which the US and Gulf states would be unable to prevent and which might not prompt Gulf state requests for US military assistance. On the other hand, Iran might seek to wage a prolonged, low-level campaign to interrupt Gulf shipping based largely on its perception that the US lacks the political will to support a sustained commitment of US forces in the Gulf. In order to raise the risks of such involvement, Iran's attrition strategy might feature terrorist attacks on US personnel, facilities or ships.

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A. Attacks Against Gulf States

Diplomatic Measures: The paper prepared for the March 9 CPPG meeting on US Diplomatic Strategy reviews the diplomatic steps we are taking both to forestall Iraq's actions which might widen the war and to deter Iranian escalation. As part of our effort to deter Iranian military actions against the Gulf states, we should continue our efforts to work through third parties to urge restraint by Iran and a negotiated settlement, strengthen ties with friendly Gulf states and seek combined military planning and US/Allied deterrent deployments/exercises, and counter Iranian terrorism against US and Gulf states.

In addition to these diplomatic activities, the US should consider diplomatic consultations with states who might have some influence over Iran.

Military Measures: If Iran takes any of the high risk courses of action, the U.S. should deploy those forces listed at Tab B. This would require access to regional facilities. Force contributions from Allied and friendly states would be important to this effort.

Planning has already been accomplished in support of the policy, established in NSDD-114, to deter, and failing that, defeat a hostile force which threatens to close the Strait of Hormuz or inflict damage on critical Persian Gulf oil production and transshipment facilities. However, the capability to execute these plans is highly dependent on access to regional facilities. Without access, U.S. unilateral capability is limited to the conduct of limited minesweeping operations in the Strait of Hormuz, and to the protection of non-belligerent shipping transiting the Strait. (Note: Air coverage of these operations would be severely limited to distant coverage from the CVBG operating in the northern Arabian Sea, unless tanker support is available to extend the range and endurance of CV TACAIR transiting the Strait.)

Although US plans are adequate to achieve US objectives in the Persian Gulf, a Presidential decision would be needed on the scope of any retaliatory attack in response to a first strike on US forces by Iranian based or controlled terrorist forces or regular Iranian forces. Currently, no course of action beyond self-defense has been planned or authorized.

All agencies believe that we should actively seek combined planning and exercises with the Gulf states. Assuming that the Gulf states do not agree to the full range of combined planning

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now, State and OSD recommend seeking Gulf state agreement to the establishment of a rudimentary integrated surveillance system using in-place US and Gulf state assets initially and expanding from there.

Allied Measures: We continue to seek enhanced combined planning with the UK and France and their commitment to combined or coordinated operations in a Gulf contingency. The latest round of US/UK military talks began on March 19. We should urge the French to accept another round of military talks before the end of March and to respond to our request to deploy naval forces to the region. We should also seek a modest increase in Allied naval presence in the Gulf for deterrent purposes and Allied participation in the integrated Gulf surveillance system discussed earlier.

Many of the Gulf states appear to be seeking an alternative to US military support in a crisis. It is likely that Kuwait would turn first to the British for air defense assistance and possibly protection against terrorist attacks on key facilities. The US should encourage the UK to perform these roles in this scenario as part of a general US/UK division of security responsibilities in the Gulf. We may also want to urge the British to conduct deterrent air defense deployment/exercises in the Gulf, although the Thatcher government may be unwilling to take such a step short of an overt Iranian move.

B. Interdiction of Gulf Oil Shipping

Diplomatic Measures: We should continue to reiterate the US commitment to defend freedom of navigation in the Strait of Hormuz and the international waters of the Gulf. We should also mount a campaign to obtain public expressions of international support for our position, particularly from the Gulf states and major oil importers. In order to underscore our seriousness, we should seek to establish a mechanism for coordinating ship movements through the Strait and the Gulf in the event it becomes necessary to protect vessels of friendly maritime nations.

Allied Measures: Our first priority would be to obtain UK and French naval participation in the multinational protection of neutral shipping. Towards this end, we should seek their involvement in mineclearing operations and convoying/sector defense of commercial ships. (The legal considerations on protective arrangements for neutral shipping addressed in Section II B also apply here.) Depending on the success of US efforts to obtain access to Gulf facilities, the British and French may be in a better position to provide air cover for

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naval operations using facilities in the smaller Gulf states. US military talks with the UK and France should define the total military requirements for countering Iranian worst-case escalation and seek agreement on which roles/missions the Allies are best suited to perform.

Multilateral Economic Sanctions

In addition, we should explore the possibility of multilateral economic sanctions against Iran in the event of Iranian attacks on neutral Gulf states or on non-belligerent shipping. Since such attacks would have a major economic impact on the rest of the world as well as on the other Gulf states, economic countersanctions intended to convince Iran to cease such interference would be more justified and may receive greater support from our allies than past efforts to apply sanctions, which were primarily politically motivated.

IV. Threatened Iraqi DefeatA. Framework for Decisions and Options

The scenario of a major Iranian breakthrough in its current offensive that could threaten Iraq with defeat is not considered in the CIA's update of the SNIE, since this is not a likely prospect at this time. Our detailed diplomatic and military contingency planning should therefore continue to focus on the Gulf, where the next crisis is most likely to occur. Nevertheless, we should assess the impact of an Iranian victory and the collapse, threatened or actual, of Iraq, and policy options we might take in that event.

We should focus on a possible Iraqi defeat under circumstances that will probably lead to an Islamic fundamentalist, pro-Iranian regime in Baghdad. This is the outcome that would most destabilize the region and threaten our interests in the lower Gulf. Whether we like it or not, we have been identified by our regional friends as an important actor in the outcome of the Iran-Iraq war, and we will bear some responsibility in their eyes for an Iraqi defeat, regardless of our ability to affect the outcome. (The alternate scenario of a compromise settlement whereby the regime of Saddam Hussein is deposed and replaced with another secular regime which makes peace with Iran but retains its independence from Tehran would be less of a threat, although it would enhance Iran's prestige and encourage it to assert its influence elsewhere in the region.)

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Because an Iraqi collapse has such potential for seriously affecting US interests in the region and relations with regional states, policy choices in response to the worst case threat should be designed at a minimum to protect these U.S. interests:

--Preservation of stable, friendly governments in the GCC countries to protect continued access to their oil and unimpeded access to the Persian Gulf..

--Prevention of the spread of hostile Iranian influence elsewhere in the Middle East at the expense of moderate governments friendly to the U.S.

--Preservation of credibility of U.S. assurances to friendly Gulf states and others that we support their security interests and are prepared to collaborate with them against Iranian and other threats.

In deciding how best to protect these interests in the face of a threatened Iranian victory, we will have to consider the following:

--Iran is more likely to prevail as a result of erosion or collapse of Iraq's internal political cohesion and strength and its will to resist, rather than Iraqi military weakness, lack of weapons, or Iranian prowess. If so, external military support for Iraq may be ineffectual in preventing an Iranian victory.

--Since Iran is a self-proclaimed enemy of the U.S., an Iranian victory will inevitably be seen as a defeat for the U.S. The nations of the region, especially the other Arab nations of the Gulf, will tend to look to the U.S. to prevent an Iranian victory. If we do not, they might question our commitments and our reliability as a friend and security partner. Some are already urging that we move tangibly to stop Iran and support Iraq.

--In considering how best to deal with a threatened Iraqi defeat and its impact on U.S. credibility, we will need to decide whether any combination of U.S. policy measures will have a reasonable chance of preventing an Iranian victory.

In any event, we will be blamed by some for Iraq's defeat, whether or not we could have prevented it. However, a hands off policy might damage our credibility less than committing ourselves to help rescue Iraq and failing to do so. A hands off policy would avoid other disadvantages of abandoning neutrality.

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B. US Options The following five options are described separately, but could be done in any combination with one another.

1. Use of U.S. Forces. This option would involve deployment of US combat forces to assist Iraq. It could include more limited involvement using air and/or naval forces, or it could include the commitment of ground combat forces. In either case, war powers would have to be addressed. Such a commitment would be a drastic departure from our policy. There would be powerful public and Congressional opposition. It would imply a long range obligation to defend Iraq. It could raise a serious prospect of confrontation with the Soviets, who would see a U.S. military presence near their border as a threat leading possibly to their invoking the Friendship Treaty with Iran. And it would severely damage opportunities for reconciliation with a post-Khomeini Iran, in the medium term.

2. Direct U.S. Assistance to Iraq. This option would involve the sale/transfer of US military equipment directly to Iraq. It could also include direct economic assistance or credits. It would not include the commitment of US combat forces to support Iraq, but it would probably require US advisors. For government-to-government sales (FMS) a Presidential determination of eligibility would be necessary. Major arms transfers would involve Congressional notification.

Direct US assistance would signal the end of our neutrality. Since Iraq does not lack arms to sustain an effective defense, the effect would be primarily political and psychological, symbolizing US support for Iraq against Iran. This could boost Iraq's morale, thereby helping it sustain the war, but it would not assure a continuation of the Saddam Hussein regime.

Iraq currently does not use US systems, and absorption of new equipment would take time. Congressional authorization for the transfer of weapons would be difficult to obtain. It would raise expectations with Iraq and others of a broader US commitment to prevent an Iranian victory which we might not be willing or able to meet, thereby increasing our responsibility for a subsequent Iraqi collapse. Such assistance would also diminish the prospects for reconciliation with Iran in the future and could also result in increased Soviet influence in Iran, although these hazards would be less than in the case of involvement of U.S. forces. Finally, such a departure from US neutrality could jeopardize UK and other Allied (less France) support for cooperating with us in the Gulf in defense of non-belligerent shipping and neutral Gulf states against Iranian military moves. In addition, such a policy could

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create severe problems for us at the US-Iranian Claims Tribunal, where we have argued, in large part on the grounds of neutrality, that the tribunal should not order us to transfer to Iran, nor compensate Iran for, arms Iran had purchased which were blocked after the taking of hostages.

3. US Assistance to Third-Party Support for Iraq. This option would involve US support for countries like Jordan and Egypt coming to the direct assistance of Iraq. For example, we would encourage countries with deployable forces to go to Iraq's aid; and we would allow them to use US origin weapons in their possession for this effort.

Assuming we were willing to take on the funding implications, we could agree to replace third party expended stocks and equipment on a one-for-one basis and keep the supply line open in an orderly fashion. We could also assist in the deployment of these forces to non-combat areas in or near Iraq. For countries in the region with non-US weapons already in the Iraqi inventory, we could agree to sell similar US weapons to replace those they might transfer to Iraq; e.g., French tanks in Saudi Arabia for use in Iraq replaced by US M-60s. This option does not include the transfer of US origin equipment to Iraq.

The regular forces that Egypt and/or Jordan might provide would probably (though not necessarily) be limited. The smaller the forces, the more symbolic the gesture. To be most effective, third-party forces would need to be integrated into the Iraqi order of battle, and immediate frontline duty would be unlikely except in an extreme situation. (A decision by third parties to assist Iraq before the situation became critical would facilitate this process.) Nonetheless, the psychological effect of a combined force in opposition to Iran could strengthen Iraqi morale; and, if the committed forces were large enough, Iraq's manpower shortages might be lessened.

Because the US would not be transferring weapons to Iraq, Congressional authorization for third-party involvement would not be required. However, there could well be Congressional opposition to major US resupply of weapons to third countries which provided their own arms or forces to Iraq, on the ground that this represented undesirable U.S. involvement in the war. Such opposition would limit our ability to influence friends to assist Iraq or to sustain their assistance once undertaken.

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US assistance to third-party support for Iraq would also be seen as abandonment of US neutrality and would invest US prestige behind Iraq, creating expectations that we would go further if necessary to back Iraq. If Iraq collapsed, we would be blamed for failure and for inability to meet an implied commitment to save Iraq.

4. Encourage Third-Party Assistance to Iraq. This option would include continued encouragement of Gulf state financial support for Iraq and encouragement of France and other Western arms suppliers to support Iraq more vigorously. However, unless we were willing to provide direct US assistance to Iraq such urgings to others would have little practical effect. It would not allay criticism if Iraq were defeated due to US failure to stand up to Iran.

5. Increased US Support for Gulf State Defense. This option would include measures -- arms transfers and force deployments -- designed to shore up Gulf defenses whether or not Iran was successful in dominating Iraq. It could be a part of a strategy which included direct or indirect support for Iraq, or a strategy of making no commitments to rescue Iraq but taking steps to reassure the other Gulf states that we would work with them to avoid further Iranian military expansion or subversion.

Arms Transfers. This option would involve the sale or transfer of weapons, command and control, and other support systems to Saudi Arabia and the other GCC members. Such systems might include: fighter aircraft, additional radar, I-HAWK and Stinger air defense systems. In some cases those systems could be provided by accelerated delivery. However, since some of the systems are long lead-time items, accelerated delivery would require drawdown from U.S. stocks or diverted from earlier buyers in the production line. (Accelerated delivery through drawdowns could have an unacceptable impact on the readiness of US forces and could be opposed by Congress.)

Candidate systems for the Gulf states that would indicate a significant gesture of US support include advanced fighter aircraft (already under interagency review) and the E-2C air/surface surveillance aircraft. The more significant the system, however, the greater the likelihood of Congressional opposition because of both the perception of US involvement in the Iran-Iraq war and Arab-Israeli tensions.

Force Deployments. In addition to arms transfers, this option could also include additional US force deployments to

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the region to demonstrate our support for the Gulf states and freedom of navigation in the Gulf. Such deployments might include TACAIR, additional AWACs and additional reconnaissance aircraft.

It may be difficult to persuade the Gulf states to agree to enhanced US security undertakings for them in the face of a threatened or actual Iranian victory over Iraq. Some of the Gulf states might choose to distance themselves from us, and prepare to accommodate to a dominant Iran, especially if the US was unwilling to take measures (such as options 1-3) to rescue Iraq. On the other hand, if the US tried, through direct or indirect military assistance to Iraq, but failed to prevent an Iranian victory, our credibility with the Gulf states as a reliable defense partner could be even more seriously damaged, thus discouraging closer security cooperation with the US along the lines of this option.

Conclusion. In the event Iraq's situation were to deteriorate to the point that its defeat was imminent, we would be faced with a situation whereby any U.S. response would be determined by the threat as it has evolved, requests for U.S. assistance from friendly nations within the region, and the willingness of Allies and regional states to assist in responding to the crisis. The U.S. should, however, deploy those forces outlined at Tab B to improve our deterrent posture and to assist in the security of Kuwait and/or Saudi Arabia, if requested. Again, such deployments require access to regional facilities.

Strengthened security relations with the GCC states designed to prevent further Iranian encroachment would require major new arms transfers to the Gulf states, particularly to Saudi Arabia. This might be unacceptable with the Congress and would almost certainly require a major Administration effort, even in the face of a magnified Iranian threat. Yet arms transfers are a necessary element. US deployments alone might not be acceptable without additional arms transfers.

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